



BORROWER'S AFFIDAVIT

Page 1 of 2

I, _____, and I, _____ "Applicant(s)" apply for a home mortgage originated by _____, pursuant to the Mortgage Bond Program of the California Housing Finance Agency (the "CHFA"), do hereby represent and warrant as follows:

1. The residence to be financed with the proceeds of the mortgage loan is located within the County of: _____ at _____.
2. The residence is reasonably suitable for occupancy by not more than one family.
3. (I/We) will occupy the residence as (my/our) principal place of residence within 60 days of the closing of the residence mortgage, and thereafter will maintain the property as (my/our) principal residence for the duration of this mortgage. (I/We) do not intend to, and have not entered into any arrangement to, rent, sell, assign or transfer the residence.
4. (I/We) will not use more than 15% of the total area of the residence or otherwise use the residence primarily in a trade or business which qualifies (me/us) to a deduction for expenses for business use of residence under Section 280A of the Internal Revenue Code, use the residence as investment property and will not receive any income from the residence or the land being purchased with the residence, or use the residence as a recreational residence.
5. All of the land being purchased with the home is required to maintain the basic livability of the residence, and (I/we) have no intention of subdividing such land or otherwise selling it apart from the residence.
6. (I/We) have not had a present ownership interest* in a principal residence, including factory made housing permanently fixed to real property, at any time during the three-year period immediately prior to the closing of the home mortgage, except that this paragraph does not apply if the home is located in a targeted area or if (I/we) (am/are) applying for a qualified rehabilitation loan. (I/We) have attached copies of (my/our) signed federal income tax returns for such 3-year period which were filed with the Internal Revenue Service. If (I/we) (was/were) not required to file such returns during one or more such preceding three years in accordance with Section 6012 of the Internal Revenue Code, (I/we) have executed the California Housing Finance Agency's Tax Return Affidavit.
7. (I/We) have submitted to CHFA a true and correct copy of the purchase contract together with all other agreements which (I/we) have entered into with the seller of the residence, to this Affidavit.
8.
 - a. The Acquisition Cost** of the residence as shown in the purchase contract is \$ _____. Neither (I/we) nor anyone on (my/our) behalf has made any payment other than such amount to the seller of the residence or to any other person on behalf of the seller, nor have (I/we) cancelled any debt of the seller or any related person of the seller.
 - b. (I/We) have not entered into any agreement with the seller of the home, the developer, the contractor, or any other person pursuant to which any portion of the residence has been left unfinished or any fixtures or other architectural appointments have been omitted or removed from the residence in order to reduce the Acquisition Cost, and the home as sold to (me/us) is substantially complete and contains all appropriate fixtures and other architectural appointments.
9. (I/We) will not use any part of the loan proceeds to acquire or replace an existing mortgage or loan which (I/we) have on the residence.
10. (I/We) will not allow the property to be transferred during the term of the loan without the approval of the California Housing Finance Agency.
11. (I/We) have not previously been the borrower(s) of a CHFA financed loan (not applicable if this is an assumption of a CHFA/FHA loan).
12. (I/We) understand that the CHFA approved sales price limits for existing houses are, in some counties of California, less than the CHFA approved sales price limits for new construction. **THIS COULD RESULT IN A LOWER SALES PRICE LIMIT UPON TRANSFER OF THE HOME MORTGAGE THAN WAS ORIGINALLY PAID FOR THE RESIDENCE.** At the date of this Affidavit the CHFA approved sales price for an existing house in _____ County is \$ _____.
13. This paragraph applies only if (I/We) are applying for a qualified rehabilitation loan.
 - a. (I/We) will be the first occupant of the residence after the completion of the rehabilitation.
 - b. The residence, or the building in which the residence is located, was first used on _____. The physical work on the rehabilitation of the residence began, or will begin on _____, a date at least twenty years later than the date on which the residence was first used.

*The term "present ownership interest" includes not only outright ownership but also any of the following interests if held either directly by you or in trust for you: a joint tenancy, a tenancy in common, a tenancy by the entirety, a community property interest, the interest of a tenant-shareholder in cooperative, a life estate, or a contract pursuant to which you have possession and the benefits and burdens of ownership although legal title is not transferred until some later time and interest held in trust for you (whether or not created by you) that would be a present ownership interest if held by you.

** The term "Acquisition Cost" means the cost of acquiring a residence from the seller as a completed unit. The term does not include usual and reasonable settlement or financing costs. It does include the amount of any lien or assessment to which the home is subject.

BORROWER'S AFFIDAVIT
Page 2 of 2

- c. The cost of rehabilitation* of the residence or the proportionate cost of rehabilitation of the building in which the residence is located attributable to the residence (% of square footage) is \$_____, which amount is at least 25% of the acquisition cost of the residence.
 - d. Seventy-five percent or more of the external walls of the residence or the building in which the residence is located, which existed prior to the date physical work on the rehabilitation began, are currently in place.
14. (I/We) certify that (my/our) annualized gross income for the last calendar year is \$_____.
15. (I/We) certify that the total number of members of (my/our) family, including (me/us), who will reside permanently in the residence is _____, and that the Applicant(s), and only the Applicant(s), (is/are) acquiring a present ownership interest in the residence.
16. (I/We) certify that (I/we) are U.S. Citizens, or, if not, that (I/we) are legally authorized to remain in the U.S.A.

(I/We) certify that (my/our) Social Security Numbers are:

Name	Social Security Number
_____	_____
Name	Social Security Number
_____	_____

(I/We) have read the Note and Deed of Trust, and (I/we) understand that the loan may be accelerated upon the occurrence of certain events specified therein.

(I/We) understand that, if (I/we) have made any material misstatements in the foregoing representation or omitted to state any of the information requested, the following may occur:

- 1. The office of the district attorney will be contacted for investigation regarding misrepresentation and fraud.
- 2. The outstanding principal balance of the loan will be immediately due and payable together with accrued interest and foreclosure costs (if foreclosure is necessary because payment in full or the outstanding principal balance and accrued interest thereon is not made immediately.)
- 3. The rate of interest on the loan from the date of discovery will, at the option of the holder, increase to eighteen percent (18%) per annum and the monthly payment amount will be increased to amortize the loan over the term of the original note.

(I/We) declare under penalty of perjury that the foregoing warranties and representations are true and correct. Executed on the date or dates shown below.

_____	_____
Date and Place	Signature
_____	_____
Date and Place	Signature

I have explained the contents of this affidavit to each of the Borrowers whose signature appears above, and I have no reason to believe that those individuals made any misstatements in the warranties and representations required to be made herein or omitted to state any of the information requested.

_____	_____
Date and Place	Signature of Officer of Lender

* Cost of rehabilitation means all direct expenditures for rehabilitation, but does not include general overhead, indirect charges or the cost of acquiring the building or the land.